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# FOREIGN SERVICE DESPATCH

383
DESP. NO.

FROM : American Embassy, Tripoli

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 7, 1956
DATE

REF : Department's Instruction A-92, April 13, 1956

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SUBJECT: REVIEWED Publicity for United States Economic Aid to Libya

RDS [illegible] DATE
TS AUTH. [illegible] (S) JOINT EMBASSY-USOM/L MESSAGE
ENDOR[illegible]
DECLAS

The Embassy-USOM are entirely in accord with the Department's views on the omission of any mention of the Libyan-American Reconstruction Commission during the ceremonies attendant upon the opening of the National Bank of Libya. The omission was undoubtedly more than just an unfortunate oversight.

Some of the reasons for the omission would appear to be: (1) the Prime Minister had been informed only four days prior to the date of the opening of the Bank about the extent of U. S. additional aid. Dr. Ancizi's speech was undoubtedly drafted and approved at a time when the Libyan Government was feeling abused over the U. S. Government's apparent lack of sympathy with Libyan needs. The "oversight" might have been rectified if the GOL had had sufficient time to remember and act upon the memory that the speech contained no mention of LAMC; and (2) the accreditation of all good things to the "Government" or the "Prime Minister" has been standard practice with Libyan officials. Even the Libyan Public Development and Stabilization Agency has frequently had its light hidden under the Government's bushel, even though LPDSA would not think of opposing the Government's wishes in the matter of selecting or executing development projects. The Government's penchant for claiming all possible credit for all improvements would be understandable if also exasperating in any country, and is particularly so in Libya, where a Federal Government is a new and none too stable institution.

However, there appears to be awakening in the Libyan Government some realization of its obligations in regard to publicity for U. S. aid, spurred on by the fact that the United States and Libya are friends again and by the reminder embodied in the enclosed exchange of letters between the Director of USOM/L and Mr. Pitt Hardacre (Enclosure No. 1). The reminder has already borne some fruit. Enclosure No. 2 reproduces a front-page article which appeared on April 22, 1956 in the Sunday Ghibli, Tripoli's only English-language newspaper. The Ghibli is not technically under governmental supervision, but its editor is careful not to offend the Libyan Government by publishing the wrong kind of article or slanting his coverage in the wrong direction. Enclosure No. 2 also reproduces an article from the April 20 issue of the Tripolitanic Administration's Arabic-language newspaper, Tarablus al Gharb. The article is as usual inaccurate, in that neither LAMC nor any one else has yet started preparing buildings and studios for the broadcasting station, except in so far as the station may use the building being

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Enc. 2
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renovated with LARC money for the new Tripoli telephone exchange.

At the eleventh meeting of LARC, Mr. Pitt Hardacre further displayed a change in attitude on the part of the GOL by suggesting direct press releases from the LARC Executive Director's Office on agreed projects. The GOL has in the past not been too favorably inclined toward such press releases, since they might not present projects in quite the same light as the Government would wish to convey.

The Embassy-USOM believe that for the present, at least, no further action need be taken here. It is suggested, however, that the Department might wish to make clear to the Libyan Ambassador in Washington its views on publicity for U. S. aid. Although Ambassador Huntasser has little or no influence with the present Libyan Government, his reporting of such an approach by the Department would serve to impress further upon the GOL the advisability of a modification of its self-centered attitude.

For the Ambassador:

Frederic K. Lundy
First Secretary of Embassy

cc: Benghazi
USOM/L

(Cleared in draft with M.J.Gordon)

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PERSONAL - CONFIDENTIAL

27 March 1956

Dear Pitt:

Yesterday morning I suggested to you that since the story which appeared in the press concerning the opening of the National Bank did not mention the source of the Bank's capital, it would be helpful to have some mention of it made at an appropriate time during the day's ceremonies. Later in the day you told me that it was not practicable to work it in, but perhaps some reference on this point would be included in a later press statement.

During the recent flurry of criticism of LARC you pointed out to me in a number of conversations that although we may feel LARC accomplishments were significant in view of its short life, etc., that the rank and file of Government personnel and the people of Libya had seen little evidence of its work; that it was important for the people to know about its accomplishments. This would have been an ideal time to "let the people know" about one fine project made possible through LARC financing.

In Dr. Aneizi's excellent speech at the opening ceremony at the Bank last evening, he carefully expressed thanks and appreciation to the experts from various countries who had assisted in the preparatory work of setting up the Bank. He also mentioned the assistance which had been received from various banks around the world. It seems that this would have been the appropriate time also to mention the source of the Bank's capitalization. It was a large and significant audience with a comprehensive representation of Libya's political, Governmental, diplomatic and business communities.

One would assume, in view of the historic significance of this occasion and the importance of the speech, that its content received the most careful consideration. It seems reasonable to assume that the question of whether to accredit LARC was thoroughly considered and deliberately rejected.

One of the requirements set forth in ICA's Appropriation Act is that countries receiving assistance shall "give the program full publicity." This requirement appears under Title III, Technical Cooperation, from which we receive our Point 4 appropriation, but it is also referred to under Title II, Development Assistance, from which we get the funds each year for additional economic aid and it is specifically applicable to those appropriations also.

Personally, Pitt, I find it distasteful to insist upon receiving credit for each contribution under our aid program and I am very much aware that it can easily be overdone. On the other hand there are many occasions when it is quite easy to

Mr. C. Pitt Hardacre
Financial Advisor
Ministry of Finance
Tripoli

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make mention of the assistance program in passing while speaking of the Government's own programs and accomplishments, and thus meet the requirements of our legislation.

Unfortunately Congress does feel strongly about this language in the Appropriation Act. It insists each year upon repeating the language and upon hearing evidence that the various countries concerned have given the program publicity. As the ICA Mission Chief in Libya and in the best interest of the program in Libya, I would like to be in a position as often as possible to forward such evidence to Washington.

Sincerely yours,

Marcus J. Gordon
Director



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UNITED KINGDOM OF LIBYA

MINISTRY OF FINANCE

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FF/26/1 28 March 1956

Dear Marc,

Thank you for your letter of 27th March, 1956, regarding the fact that there was no reference in Dr. Aneizi's speech to LARC providing the National Bank capital. I did not draft this speech, however, I did see it in its final stages of drafting and to that extent I must assume responsibility for not noticing this unfortunate omission, and I really do apologise for not drawing the attention of Dr. Aneizi to this fact. When you mentioned this to me at the lunch party, I immediately took it up with Dr. Aneizi, but it proved to be impossible at that late stage to include a mention in the speech which had already been duplicated and issued. I feel certain that an appropriate mention can be made to LARC's assistance in this matter in some other way at an early date, and will endeavour to ensure that this is done. I do want to assure you however that the omission was definitely not deliberate.

Yours sincerely,

/s/ C. Pitt Hardacre

Finance and Economics Expert

Mr. Marcus J. Gordon,
Director,
USOM,
American Embassy,
Tripoli.

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SUNDAY GHIBLI

April 22, 1956

Power-Plant Gets New Name:-

TRIPOLI ELECTRICITY UNDERTAKING

The first meeting of the newly-formed Government committee which has taken over the temporary management of the ex-SECI power station in Tripoli was held last week.

Now known as Tripoli Electricity Undertaking the power plant will be governed by five directors-designate. The Sunday Ghibli was told that this management would continue until final plans for Tripolitania's power supplies were approved.

LARC Money

The Government recently took over the plant and assets of the SECI Electricity Company which had been supplying Tripoli and the surrounding country with electric power for almost 30 years. Without prejudice to the final valuation, LARC (Libyan-American Reconstruction Commission) provided the funds with which the Government bought-out SECI interests.

"Plans for Tripolitania's new power plant now await the conclusion of negotiations in London for a £L2-millions loan which we hope will be interest-free," said finance experts in Tripoli yesterday. They hoped that the loan would be raised and that it would be repayable over 20 years.

* * * * *

TARABLUS AL GHARB

April 20, 1956

LARC is contributing effectively to the activities of the National Broadcasting Station planning committee. LARC has already contributed to the establishment of telecommunications throughout Libya and started since some time ago in preparing the buildings and studios needed for broadcasting equipment. It is likely that all the expenses for the broadcasting station will be taken from LARC's funds.